

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 16-316

RESOLUTION

TO AMEND RULE §3-81-17.51, LICENSE FEES, RULES OF THE
LIQUOR COMMISSION OF THE CITY AND COUNTY OF HONOLULU.

WHEREAS, between the 2009 and 2015 legislative sessions Chapter 281, Hawaii Revised Statutes, as amended (HRS), has been amended to create, revise, and repeal certain liquor license classes; and

WHEREAS, in 2016, the Liquor Commission of the City and County of Honolulu (Commission) undertook the amendment of the Rules of the Liquor Commission to achieve the following objectives: (1) in conjunction with the adoption of implementing rules for the new liquor license classes, to establish the basic license and maximum fees for said new liquor license classes; and (2) to include the basic license and maximum fee for an existing liquor license class category that previously had been inadvertently omitted (collectively, License Fee Rule Amendment); and

WHEREAS, the License Fee Rule Amendment amends Rule §3-81-17.51(a) in the following particulars:

1. To set the annual basic license fees for the Class 13 Caterer, General "food service business type" license at \$600 (for Category 1) and \$720 (for Category 2), not to exceed a maximum of \$25,000, with a \$30 per day event fee;
2. To set the annual basic license fee for the Class 14 Brewpub, Category 2 license at \$1,800, not to exceed a maximum of \$40,000;
3. To set the annual basic license fee for the Class 16 Winery license at \$1,200, not to exceed a maximum of \$25,000;
4. To set the annual basic license fees for the Class 17 Bring-Your-Own-Beverage license at \$360 (for Category 1) and \$420 (for Category 2); and
5. To set the annual basic license fees for the Class 18 Small Craft Producer Pub license at \$1,680 (for Category 1) and \$1,800 (for Category 2), not to exceed a maximum of \$40,000; and

WHEREAS, the Commission, after proper notice to all licensees and the public, held a public hearing on November 3, 2016 (Public Hearing), to hear testimony on proposed amended rules, to include the License Fee Rule Amendment in the form of Exhibit A attached hereto; and



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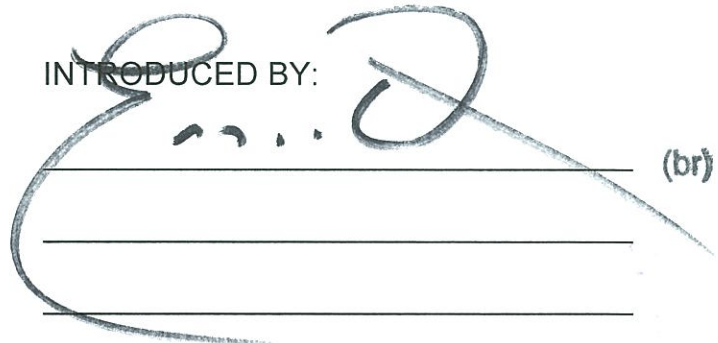
WHEREAS, the Commission, having duly considered all of the testimony offered at said Public Hearing, unanimously voted to adopt the License Fee Rule Amendment at its November 10, 2016 meeting, with the earliest practicable effective date; and

WHEREAS, Section 281-17.5, HRS, mandates that any new liquor license fees shall be initiated by the Commission, with the approval of the City Council and the Mayor of the City and County of Honolulu;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City and County of Honolulu that the amendments to Rule §3-81-17.51, License Fees, of the Rules of the Liquor Commission of the City and County of Honolulu, as adopted by the Commission on November 10, 2016 and as shown in Exhibit A attached hereto, be and is hereby approved, with an effective date of 10 days after filing with the City Clerk; and

BE IT FINALLY RESOLVED that the City Clerk is directed to transmit certified copies of this resolution to the Director, Department of Budget and Fiscal Services, and to the Administrator, Liquor Commission of the City and County of Honolulu.

INTRODUCED BY:

 (br)

DATE OF INTRODUCTION:

NOV 30 2016

Honolulu, Hawaii

Councilmembers

EXHIBIT A

Rule §3-81-17.51, License Fees, Rules of the Liquor Commission of the City and County of Honolulu, is amended by amending portions of subsection (a) to read as follows:

§3-81-17.51 License Fees.

(a) ...

CLASS	KIND		FEES
1	Manufacturer		
	(a) Beer		\$1,320, and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$5,000.
	(b) Wine		\$600, and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$5,000.
	Wine manufactured from fruits grown in the state		\$120
	(c) Alcohol		\$360
	(d) Other Liquors		\$1,320, and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$5,000.
2	Restaurant		
	(a) General (includes all liquor, except alcohol)		
		(1) Category 1 - Standard	\$1,200, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 2 - Music/Dancing	\$1,320, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
	(b) Beer & Wine		
		(1) Category 1 - Standard	\$900, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 2 - Music/Dancing	\$960, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
	(c) Beer		
		(1) Category 1 - Standard	\$360, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 2 - Music/Dancing	\$420, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
3	Wholesale		
	(a) General (includes all liquor except alcohol)		\$2,640, and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$10,000.
	(b) Beer & Wine		\$840, and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$10,000.

EXHIBIT A

CLASS	KIND		FEES
	(c) Alcohol		\$120
4	Retail		
	(a) General (includes all liquor except alcohol)		\$1,200, and one-quarter of one percent (0.0025) of the total gross liquor sales less a *deductible, not to exceed \$15,000.
	Beer & Wine		\$900, and one-quarter of one percent (0.0025) of the total gross liquor sales less a *deductible, not to exceed \$15,000.
	Alcohol		\$60
5	Dispenser		
	(a) General (includes all liquor except alcohol)		
		(1) Category 1 - Standard	\$1,200, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 2 - Nudity	\$1,440, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(3) Category 3 - Music/Dancing	\$1,320, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(4) Category 4 - Hostess	\$1,440, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(5) Categories 3 & 4	\$1,500, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(6) Categories 2 & 3	\$1,620, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(7) Categories 2 & 4	\$1,620, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(8) Categories 2, 3 & 4	\$1,740, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
	(b) Beer & Wine		
		(1) Category 1 - Standard	\$900, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 3 - Music/Dancing	\$960, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(3) All other combinations	\$1,020, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
	(c) Beer		
		(1) Category 1 - Standard	\$360, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 3 - Music/Dancing	\$420, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.

EXHIBIT A

CLASS	KIND		FEES
		(3) All other combinations	\$540, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
6	Club		\$660, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$15,000.
7	Vessel		\$660]
8	Transient Vessel		
	(a) Per day		\$60
	(b) Per year		\$1,320
9	Tour/Cruise Vessel		\$900, and one-half of one percent (0.005) of four (4) times the amount of liquor purchased less a *deductible, not to exceed \$10,000.
10	Special, per day		
	(a) General (includes all liquor, except alcohol)		\$60
	(b) Beer & Wine		\$40
	(c) Beer		\$30
11	Cabaret, General		
		(1) Category 1 - Standard	\$1,980, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$30,000.
		(2) Category 2 - Nudity	\$2,400, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$30,000.
12	Hotel, General		\$3,960, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$45,000.
13	(a) Caterer, General (Class 2, Class 12, Class 15 only)		\$30 per day
	(b) Caterer, General (Food Service Business Type)		
		(1) Category 1 - Standard	\$600, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000, plus \$30 per day.
		(2) Category 2 - Music/Dancing	\$720, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000, plus \$30 per day.
14	Brewpub		[\$1,680, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible*, not to exceed \$40,000.]
		(1) Category 1 - Standard	\$1,680, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$40,000.
		(2) Category 2 - Music/Dancing	\$1,800, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$40,000.
15	Condominium Hotel, General		\$3,000, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$45,000.
16	Winery		\$1,200, and one-half of one percent (0.005) of the

EXHIBIT A

CLASS	KIND		FEES
			<u>total gross liquor sales less a *deductible, not to exceed \$25,000.</u>
<u>17</u>	<u>BYOB</u>		
		<u>(1) Category 1 – Music only</u>	<u>\$360</u>
		<u>(2) Category 2 – Music/Dancing</u>	<u>\$420</u>
<u>18</u>	<u>Small Craft Producer Pub</u>		
		<u>(1) Category 1 – Standard</u>	<u>\$1,680, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$40,000.</u>
		<u>(2) Category 2 – Music/Dancing</u>	<u>\$1,800, and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$40,000.</u>
n/a	Temporary		<p>\$275 for an initial period of one hundred twenty (120) days or any part of the period the license was in use, and the current rate of assessment of the respective license class of the license applied to the total gross liquor sales.</p> <p>The fee for renewal of such license shall be \$275 for the renewal period or any part of the period the license is in use, and the current rate of assessment of the respective license class of the license applied to the total gross liquor sales.</p>

(b) ...

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
C E R T I F I C A T E

RESOLUTION 16-316


Introduced: 11/30/16 By: ERNEST MARTIN – BY REQUEST Committee: BUDGET

Title: RESOLUTION TO AMEND RULE §3-81-17.51, LICENSE FEES, RULES OF THE LIQUOR COMMISSION OF THE CITY AND COUNTY OF HONOLULU.

Voting Legend: * = Aye w/Reservations

01/11/17	BUDGET	CR-29(17) – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.
01/25/17	COUNCIL	CR-29(17) AND RESOLUTION 16-316 WERE ADOPTED. 8 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, PINE. 1 ABSENT: OZAWA.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN I. TAKAHASHI, CITY CLERK



RON MENOR, CHAIR AND PRESIDING OFFICER